

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

12-Jun-1996 06:40pm

TO: Carol H. Rasco

FROM: Jeremy D. Benami
Domestic Policy Council

CC: Elizabeth E. Drye
CC: Paul J. Weinstein, Jr
CC: Jill Pizzuto
CC: Julie E. Demeo

SUBJECT: Briefing for Interview on Flexible Work

BRIEFING NOTES FOR CAROL RASCO

From: Jeremy Ben-Ami

Subject: Flexible Work Schedules

The interview you are scheduled to do with Kathy Kiely raises some very timely and interesting issues. I wanted to share the following thoughts with you based on discussions Paul and I have had and on a meeting I attended today with Gene Sperling, John Angell and Elaine Kamarck. I will also forward some additional paper tomorrow (Thursday) afternoon.

1. First, you probably want to be very circumspect in whatever you say about comp time and overtime issues. There are a number of Republican proposals floating around on the Hill that organized labor is vehemently opposed to. We are engaged in some very delicate conversations with labor on these legislative issues and they are very clear that they want our complete opposition to these proposals.

2. Second, and on the other hand, Elaine and others have been looking at an announcement at the Family Reunion of what might be called Family and Medical Leave Act II - which would include some interesting ideas like: allow employees to CHOOSE comp time instead of overtime, limit the number of hours an employee can be required to work overtime, and provide a few hours a month of time that parents can take off for their kids' appointments, school events, etc. These ideas are great, poll well, and everyone likes them. [BUT see #1 above!!] So it is really important not to say anything in the interview about any specific proposals or ideas in

this area.

There will be a meeting on Friday with Harold, Reich, Rubin, others to go over these issues and the strategy and to decide where we are going to come down on all this stuff.

I do think you can talk about the following:

- your personal sympathy for the workers who are asked to do more overtime than they want, for the workers who might prefer to be able to get comp time
- that these are the very issues the President and Vice President hope to explore in Nashville.
- what an important step forward the FMLA was

You just want to be careful not to get drawn into specifics on the legislative front regarding the TEAM Act or comp time legislation.

I hope these notes are helpful. As I said, Paul and I have pulled some of the briefing materials for the corporate citizenship conference and we will get some of that over to you tomorrow.

Please let me know if you want further detail.

for CHR-
Interview

Gold for briefing
book should I

EXECUTIVE OFFICE OF THE PRESIDENT

06-Jun-1996 04:55pm

meet w/ her.

TO: Carol H. Rasco
FROM: Julie E. Demeo
Domestic Policy Council
CC: Lorraine McHugh
Chris Dorval
Marlene A. MacDonald
SUBJECT: Arkansas Democrat Gazette

I spoke with Kathy Kiely (Washington Bureau Chief of the Arkansas Democrat-Gazette) and she would like set up time to speak with you in the next couple of weeks for 2 reasons:

1. To meet you since she has been bureau chief since last May and has not properly introduced herself to you. She would just like a get to know you meeting (ground rules up to you).

2. To interview you for a piece she is writing for the magazine "World Link." This magazine is published in London but by the World Economic Forum (based in Switzerland). She is looking at world-wide employment status and projections and the idea brought up by Jeremy Rifkin in his book The End of Word (?), which says that as we become more technologically advanced we have less of a need for employing people. The policy implications of this could be that we go to a four day work week or flex time etc. She said Tuesday's NYT's had a front page story by Peter Kilborn. (His story is called: "Factories That Never Close Are Scrapping 5-Day Week", which I'll put in your in box). She says she's completely flexible on the ground rules and her deadline is the end of this month.

Factories That Never Close Are Scrapping 5-Day Week

By PETER T. KILBORN

A1

ORLANDO, Fla. — Tony Moreno is an outgoing, churchgoing man and the father of three.

But for most of the last five years, Mr. Moreno put in 12-hour workdays, including all of his Sundays, as a machine operator here at Lucent Technologies.

Some of his colleagues at the immense, windowless microelectronics factory, relish the schedule, in which they alternate three- and four-day weeks, because it gives them so much time off.

"But that didn't mean much to me," said Mr. Moreno, 45. "I missed going to church. Being a family man, weekends mean a great deal to me. All my friends are off on weekends."

Many of Mr. Moreno's co-workers like the nontraditional set-up because, in addition to long stretches of time off, they also receive premium pay. Like it or hate it, however, more and more American factory workers are being assigned the short-week, extended-hour schedules.

Management experts call them compressed workweeks. At factories like Lucent's, the eight-hour-a-day, five-day workweek has all but vanished and given way to schedules that management deems efficient.

even if they ignore the calendar's seven-day cycles and community patterns of work, sleep and play.

The Bureau of Labor Statistics found that from 1985 to 1991, the proportion of full-time production and service workers with conventional, eight-hour-a-day schedules had declined to 81.8 percent from 84.1 percent. The bureau has no data for the years since 1991, but a private survey this year suggests that the trend is growing. In a survey to be released this month of 800 companies that employ 1,000 or more workers in all types of businesses, the William M. Mercer management consulting firm in New York found that 34 percent used compressed weeks for some of their work force and that 14 percent were considering those schedules.

Abbreviated workweeks have been in effect for decades for some workers, particularly in police and fire departments, hospitals and utilities that run around the clock.

But they have been a growing

Efforts are being made in Congress to speed the shift to abbreviated workweeks. Many companies want Congress to change overtime provisions of the Fair Labor Standards Act of 1938 that require employers to pay time and a half for any work beyond 40 hours a week, with one proposal seeking a monthly ceiling instead.

"The week is getting redistributed toward work," said Jerome M. Rosow, president of the Work in America Institute, a research organization in White Plains financed by unions and corporations. Part of the price, he said, is the traditional weekend: "Leisure is getting squeezed out."

The impetus, experts say, is a redoubled emphasis on efficient production, the same pressure that has been driving the sides of corporate downsizing. It is another tactic to wrest additional profits and lower-cost production from factories.

The Lucent factory belongs to AT&T, which said this year that it would shed 40,000 workers and recast itself into three smaller companies that will soon become completely independent. One of the three, Lucent, combines AT&T's research laboratories and 14 manufacturing plants, including the factory here.

In Orlando, management is building a big addition and expanding the work force to 1,500, from 1,000. About 80 percent of the employees are refugees from AT&T shrinkage elsewhere.

Inside, the factory workers, in white suits that conceal everything but their eyes, lake tiny deposits of metal onto paper-thin six-inch-diameter wafers of silicon. Factories in Singapore and Bangkok slice the wafers into the integrated-circuit chips that form the brains of computer modems and cellular telephones.

Five years ago management decided that to hold its own in competition with water processors worldwide, it could not let its machinery sleep when people do. "The equipment has to keep running," said the plant manager, Robert B. Koch.

Before, the company had been running on a less-compressed week with four 10-hour days. But that meant that for several hours a day the machinery stood idle.

"The company eyeballed that quiet time," said Thomas S. Christian, president of Local 2060 of the International Brotherhood of Electrical Workers, who helped negotiate the schedule with 12-hour shifts.

As Mr. Koch put it, "There were inefficiencies."

Now all but some office personnel work the long shifts, three consecutive days that total 34½ hours one week and four days that total 46 hours the next. Time and a half overtime pay is incorporated into wages that start at \$6.91 an hour and rise to nearly \$18.19, very high for factory work south of the Rust Belt.

Everyone has one weekend day a week, Saturday or Sunday. To make the schedule work, employees also gave up two holidays, Memorial Day and Labor Day. Still, all the free days amount to half the year off.

Workers say they appreciate having jobs, enjoy the time off and relish the pay. They also talk of being extremely tired.

Booker T. Thomas, 47, who is married and has an 11-year-old daughter, came here from an AT&T plant in Shreveport, La. He worked 10-hour days and earned good wages, but he had watched the number of workers plummet, to 1,000 from 6,500.

"I asked myself, Should I stay here and watch it close?" Mr. Thomas said. "I didn't want to get caught in that situation. So I came to Florida."

As a skilled technician here, Mr. Thomas earns the top wage. He works days, every other Wednesday and every Thursday, Friday and Saturday.

"I get fatigued," he said. "But I got fatigued in Shreveport. I worked 50 weeks a year there. Here I work 25 weeks and make more money. Who can argue with working half the time for more money?"

Many other workers, however, talk of a struggle to align the Lucent clock with the cycles of their personal lives. One is Martha Toler, 34, who is single and the mother of a 9-year-old boy and a 20-month-old girl.

"I'm a B-grade metals operator," paid \$14.95 an hour, Ms. Toler said. "I sputter metal onto the wafers. I work the days, 5 to 5. When I work I don't clean or cook. Everything's prepared already. I put it in the microwave."

"I get up at 3:30. I get the baby ready to go to the sitter. We leave the house at 10 after 4. She's dropped off at 4:30. I usually make it here 10 minutes before we have to start."

Most people are in a daze.

Ms. Toler said that to help pay the sitter \$15 a day, she rents a room in her three-bedroom house.

Her son fends for himself.

"He gets up at 7:30 and goes to school to 3," she said. "From 3 to 6 he does homework, his chores, watches TV. Days off I take him to ball games. He doesn't like me working at all."

"I've been more tired and more sick than ever before. I get upper respiratory infections. A lot is fatigue. I have back and foot problems. But I had to take the job that takes care of the kids. More money, more pain."

Mr. Rosow of the Work in America Institute said: "There's always been a tension in our society between work, family and leisure. I don't think industry plans its schedule around the leisure needs of the work force."

An extreme form of workweek compression is the product of something the experts call best-cost scheduling. Under that concept, people work 12-hour shifts for three days and take three days off. They also work days half the month and nights half the month. Typically the schedules permit two Saturdays and one Sunday off one month and one Sunday and two Saturdays the next.

Four years ago the A.E. Staley Manufacturing Company, the corn

mill in Decatur, Ill., imposed the schedule. The union local, the United Paperworkers, voted 56 percent against it, precipitating a 30-month lockout before the workers acquiesced and returned last December.

Other companies have devised less disruptive schedules that often permit more regular time off. There is the 10-hour day four-day week. And there is the nine-hour day with two days off one week and three the next.

Some companies use eight-hour shifts on the five regular workdays but use separate teams of workers on 12-hour shifts on the weekends.

Jerry Cashman, work-options manager at the Hewlett-Packard Company in Palo Alto, Calif., which is often cited for innovative scheduling, said the company had "production environments" in which different workers were on 10-hour, 12-hour and 8-hour shifts at the same time.

To give management greater flexibility in setting workers' hours, Senator John Ashcroft, Republican of Missouri, has proposed legislation that would replace the 40-hour week with a 160-hour month. Industry would still have to pay overtime for work beyond the 160 hours. But with worker approval, managers could, for instance, pack all those hours into the first two weeks of the month and allow two-week vacations.

Mr. Ashcroft and management lobbying groups, like the Labor Policy Association in Washington, say the proposal would liberate workers. A spokeswoman for Mr. Ashcroft, Doreen Denny, said, "This proposal deals with a core concern of families to balance their personal and work responsibilities."

Unions, by contrast, see the bill as an effort to restore the sweatshop hours of the turn of the century. "He cloaks it in giving workers and their families flexibility," said Jane O'Grady, a legislative representative of the A.F.L.-C.I.O. "But clearly this is an effort to let employers get overtime without paying for it."

Still, the old ways die hard.

Recently Mr. Moreno escaped the abbreviated workweek at Lucent. He has shed his protective white suit and moved to one of the few eight-hour Monday-to-Friday office jobs. "I love it," he said. "I've always been a 7 A.M.-to-3:30 guy."

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